

DERT FUND

DRYCLEANING ENVIRONMENTAL RESPONSE TRUST



ANNUAL PROGRAM REPORT 2009



MISSOURI
DEPARTMENT OF
NATURAL RESOURCES

HISTORY

In 2000, Senate Bill 577 established the Drycleaning Environmental Response Trust Fund and Section 260.960, Revised Statutes of Missouri, or RSMo, authorized the DERT Fund. The DERT Fund provides funding for the investigation, assessment and cleanup of releases of chlorinated solvents from dry cleaning facilities. The DERT Fund is a state fund and is administered by the Missouri Department of Natural Resources' Hazardous Waste Program according to rules published by the Hazardous Waste Management Commission. The laws and regulations governing the DERT Fund are found in Sections 260.900 to 260.965 RSMo and in the Code of State Regulations 10 CSR 25-170.010 to 10 CSR 25-17.170 respectively.

Operators of active dry cleaning facilities are required to register with the Missouri Department of Natural Resources, as outlined in Section 260.915 RSMo. Each active and operating dry cleaning facility is required to pay an annual registration surcharge based on the number of gallons of chlorinated solvents used during the calendar year, as outlined in Section 260.935 RSMo. This includes coin-operated dry cleaning facilities. Laundry facilities located in prisons, government entities, hotels, motels and industrial laundries are specifically exempt from the requirements of this statute. All solvent suppliers that sell or provide chlorinated solvent to a dry cleaning facility are required to pay the solvent surcharge fees to the department.

Section 260.955 RSMo, requires the department to provide an annual report to the General Assembly and the governor regarding:

- Receipts of the fund during the preceding calendar year and the sources of the receipts.
- Disbursements from the fund during the preceding calendar year and the purposes of those disbursements.
- The extent of corrective action taken during the preceding calendar year.
- The prioritization of the sites for expenditures from the fund.

DISBURSEMENTS FROM THE DERT FUND

Expenditures from the fund are used to:

1. Reimburse participants for the costs of addressing releases of chlorinated solvents from dry cleaning facilities. Participants are liable for the first \$25,000 of eligible cleanup related costs as a deductible.
2. Administer the program by collecting the surcharges and guiding and assisting the cleanup activities.

Table 1 describes the expenditures from the fund, which were prohibited until, on or after July 1, 2002, by Section 260.925 RSMo. Reimbursements for eligible environmental cleanup costs were not made until the regulations went into effect on May 30, 2006.

TABLE 1 - EXPENDITURES OF THE DERT FUND

Calendar Year ⁽¹⁾	Salaries & Wages	Expense & Equipment	Fringe, etc. ⁽⁴⁾	Reimbursements ⁽⁵⁾	Total Costs
2000 ⁽²⁾	\$0	\$0	\$0	\$0	\$0
2001 ⁽²⁾	\$0	\$0	\$0	\$0	\$0
2002 ⁽²⁾	\$1,163	\$0	\$2,350 ⁽³⁾	\$0	\$3,513
2003	\$77,271	\$14,995	\$35,655	\$0	\$127,921
2004	\$106,083	\$59,642	\$73,437	\$0	\$239,162
2005	\$99,583	\$63,909	\$92,528	\$0	\$256,020
2006	\$187,488	\$145,789	\$140,850	\$176,031	\$650,158
2007	\$186,019	\$64,858	\$155,026	\$258,785	\$664,688
2008	\$192,387	\$25,814	\$171,884	\$140,000	\$530,085
2009	\$183,108	\$9,316	\$200,064	\$456,733	\$849,221
Totals	\$1,033,102	\$384,323	\$871,794	\$1,031,549	\$3,320,768 ⁽⁶⁾

⁽¹⁾ Source: SAM II Data Warehouse Information.

⁽²⁾ RSMo, Section 260.925 prohibited expenditures from the DERT Fund until, on or after July 1, 2002.

⁽³⁾ House Bill 1115, Section 15.220, RSMo, authorized a transfer of \$1,289 out of the State Treasury on May 6, 2002, chargeable to various funds, such amounts as are necessary for allocation of costs to other funds in support of the state's central services, to the General Revenue Fund.

⁽⁴⁾ Fringe amount includes OASDI, Retirement Sys, Deferred Comp, MCHCP, Cost Allocation Plan (Office of Administration), Cost Allocation (Department of Natural Resources), State Office Bldg M & R, etc.

⁽⁵⁾ Reimbursements were not made until the regulations went into effect on May 30, 2006.

⁽⁶⁾ As of Dec. 31, 2009, there were \$38,218.84 in claims approved but unpaid. Reimbursement of costs during the fiscal year is based on the site's prioritization score and the amount of appropriated funds.

RECEIPTS TO THE DERT FUND

The Hazardous Waste Program is responsible for the collection of all applicable surcharges from dry cleaning facilities and solvent suppliers. There are two main sources of revenue for the fund. The first is a dry cleaning facility annual registration surcharge paid by owners and operators of dry cleaning facilities (\$500, \$1,000 or \$1,500 based on chlorinated solvent used during the calendar year). The second is a solvent surcharge paid by the solvent suppliers on a quarterly basis of \$8 per gallon of perchloroethylene, trichloroethylene and other chlorinated solvents sold.

Table 3 describes the surcharge collections. The collection of the registration surcharges began on April 1, 2001. The collection of the solvent surcharge began with the April 1, 2001 to June 30, 2001 quarter.

TABLE 2 - 2007 DRY CLEANER FACILITY ANNUAL REGISTRATION SURCHARGE

Size of Facility	No. of Facilities Registering by 5/1/10	Gallons of Solvent Used	Annual Registration Fee
Small	149	0 to 140	\$500
Medium	28	140 to 360	\$1,000
Large	2	>360	\$1,500

TABLE 3 - RECEIPTS TO THE DERT FUND⁽¹⁾

Calendar Year	Registration Surcharge	Solvent Surcharge	Interest & Penalties	Totals
2000	\$0	\$0	\$0	\$0
2001	\$221,500	\$170,208	\$5,995	\$397,703
2002	\$222,150	\$435,859	\$17,886	\$675,895
2003	\$303,126	\$427,880	\$26,892	\$757,898
2004	\$319,488	\$409,293	\$43,178	\$771,959
2005	\$234,150	\$367,598	\$73,595	\$675,433 ⁽²⁾
2006	\$204,993	\$308,678	\$121,077	\$635,248 ⁽³⁾
2007	\$185,371	\$259,175	\$138,931	\$583,477
2008	\$191,888	\$237,874	\$132,377	\$562,139
2009	\$154,991	\$182,459	\$54,143	\$391,598 ⁽⁴⁾
Totals	\$2,037,657	\$2,799,024	\$614,074	\$5,451,350

⁽¹⁾ Source: SAM II Data Warehouse Information.

⁽²⁾ 2005 total includes a \$90 refund to the fund.

⁽³⁾ 2006 total includes a \$500 transfer in.

⁽⁴⁾ 2009 total includes a \$5 vendor refund to the fund.

PRIORITIZATION OF SITES FOR EXPENDITURES FROM THE FUND

10 CSR 25-17.140 allocates fund monies to prioritized sites in the following proportions:

- High priority sites: 60 percent.
- Medium priority sites: 30 percent.
- Low priority sites: 10 percent.

In any fiscal year, if the funding allocation in any priority category is not used, those funds may be reallocated to other priority categories, starting with any high priority sites and followed by medium and then low priority sites.

Sites applying to the program must submit the results of one soil, groundwater or surface water sample that exhibits contamination of dry cleaner solvent in excess of department cleanup levels. The initial assessment will allow the department to determine the eligibility of the site in the fund. Some sites will provide enough information during the application process to receive a ranking score. Other sites will require additional information before a ranking score can be determined.

If the site has not provided enough information to have a ranking score determined, the department will direct the owner or operator to conduct the necessary assessments to determine a ranking score. The ranking score is based on such factors as environmental contamination, potential economics, potential receptors, risk-based cleanup parameters, site history, threat to drinking water sources, threat to off-site properties, etc. A copy of the prioritization form is available on the department's Drycleaning Environmental Response Trust Fund website at www.dnr.mo.gov/env/hwp/dert/hwpvcp-dryclean.htm.

On May 30, 2006, the department began accepting applications for enrollment into the fund for oversight and reimbursement of investigation and cleanup activities. By the end of 2009, the department had received applications for 30 sites. Five of these sites received a certification of completion letter from the Brownfields/Voluntary Cleanup Program, or BVCP, and enrolled into the fund for reimbursement of eligible costs. Fourteen of the 30 sites transferred from the Brownfields/Voluntary Cleanup Program to the fund during 2006.

By the end of 2009, the department had issued seven Certification of Completion letters and reimbursed \$1,031,549 in eligible costs to participants (See Table 1).

TABLE 4 - DERT FUND SITES

Site Name	City	High Priority	Medium Priority	Low Priority	Amount Reimbursed	Comments
American Cleaners - Dorsett Road	Maryland Heights			X	\$2,491	Completion Letter issued 5/21/09
American Cleaners - Fenton Plaza	Fenton		X		\$34,204	
American Cleaners - Mid Rivers Mall	St. Peters*		X		\$144,486	Reimbursements completed
American Cleaners - Natural Bridge	Bridgeton		X			
American Cleaners - Southroads	St. Louis		X			Completion Letter issued 6/11/09
A to Z Auto Center	Crestwood			X		
Busy Bee Laundry	Rolla	X			\$40,432	
Clayton Cleaners	St. Louis	X			\$18,081	
Colonial Cleaners - Arsenal Street	St. Louis	X				
Colonial Cleaners - Brentwood Blvd.	St. Louis	X				Completion Letter issued 7/2/08
Community Laundromat	Ava	X				
Cypress Village Shopping Center	St. Ann*		X		\$327,982	
First Capitol Cleaners	St. Charles		X			
Foster's Cleaners	Blue Springs			X	\$11,293	Completion Letter issued 6/18/09
Frontenac Cleaners - West End	St. Louis		X			Completion Letter issued 5/14/08
Kingshighway Retail Center	Sikeston		X			
McDonald's State Line	Kansas City		X			
Mission River/Antioch Cleaners	Kansas City		X			
Paramount Cleaners	Florissant*		X		\$42,035	Reimbursements completed
Park Lane Cleaners	Chillicothe			X		
Plaza Ford Ideal Laundry & Dry Cleaners Inc.	Kansas City	X			\$24,019	
Premier Dry Cleaners of KC	Kansas City			X		
Stanford Saper Cleaners	Kansas City*			X		
Staten Island Cleaners	Florissant	X			\$203,562	Completion Letter issued 12/30/08
Tri-States Service Company - Boonville Ave.	Springfield	X			\$182,964	
Tri-States Service Company - E. Trafficway,	Springfield		X			
VIP Cleaners	St. Peters			X		
West Gate Cleaners	St. Louis		X			Completion Letter issued 10/19/07
Yorkshire Cleaners	Marlborough		X			
Zehrt Printing	St. Louis*		X			

*Reimbursement only, site received certification of completion letter from Brownfields/Voluntary Cleanup Program.

TABLE 5: CORRECTIVE ACTION CONDUCTED IN 2009

Site Name	City	Corrective Action Conducted
American Cleaners - Dorsett Rd.	Maryland Heights	Certification of Completion Letter.
American Cleaners - Fenton Plaza	Fenton	Groundwater monitoring to determine plume stability.
American Cleaners - Natural Bridge	Bridgeton	Groundwater monitoring to determine plume stability; conduct risk assessment.
American Cleaners - Southroads	St. Louis	Certification of Completion Letter.
Busy Bee Laundry	Rolla	Conduct additional assessment to identify extent of soil and groundwater contamination.
Clayton Cleaners	St. Louis	Groundwater monitoring to determine plume stability.
First Capitol Cleaners	St. Charles	Initial assessment to identify extent of soil/groundwater contamination.
Foster's Cleaners	Blue Springs	Conduct risk assessment; Certification of Completion Letter.
Park Lane Cleaners	Chillicothe	Groundwater monitoring to determine plume stability.
Plaza Ford Ideal Laundry & Dry Cleaners	Kansas City	Groundwater monitoring to determine plume stability; additional soil sampling; pumping of contaminated water from elevator shaft; grouting of elevator shaft to alleviate vapor intrusion; indoor air monitoring.
Tri-States Service Company - Boonville Ave.,	Springfield	Pumping and treating of contaminated groundwater.
Tri-States Service Company - E. Trafficway,	Springfield	Groundwater monitoring; Video assessment of deep well.
VIP Cleaners	St. Peters	Groundwater monitoring to determine plume stability.
Yorkshire Cleaners	Marlborough	Initial assessment to identify extent of soil/groundwater contamination.

COMPLIANCE WITH SURCHARGES

The two main sources of revenue for the fund are the dry cleaning facility annual registration surcharge and the solvent surcharge. State law requires owners and operators of dry cleaning facilities to pay the annual registration and solvent suppliers to pay the solvent surcharge on quarterly basis.

When a facility or solvent supplier is not in compliance with the law, the fund uses the department's conference, conciliation and persuasion process to return them to compliance. In 2006, the department's Hazardous Waste Program began referring facilities and solvent suppliers that continued to fail compliance to the Attorney General's Office.

Active and abandoned dry cleaners eligible for the fund must be in compliance with all applicable environmental laws in order to receive funding for environmental cleanup. Consequently, it is in everyone's interest to assist businesses in returning to compliance with the law so they are covered by the fund.

On Sept. 1, 2008 the DERT Fund began notifying the registered solvent suppliers of the active dry cleaning facilities that have not paid their required registration surcharges. According to 10 CSR 25-17.030(2)(G) "a solvent supplier shall not provide dry cleaning solvents to an active dry cleaning facility that has not paid its annual dry cleaning facility registration surcharge."

TABLE 6 - DRY CLEANING FACILITY REGISTRATION COMPLIANCE

Calendar Year	No. of Active Dry Cleaning Facilities	Facilities Submitting Registration Form and Surcharges by 5/1/10	Percent Compliance with Annual Facility Registration
2009	243	179	73.7

TABLE 7 - COMPLIANCE/ENFORCEMENT ISSUES WITH DRY CLEANING FACILITIES

Calendar Year	Facilities Issued a NOV	Facilities Referred to Compliance/ Enforcement	Facilities Referred to the AGO	Facilities Returned to Compliance
2009	32	28	24	141

TABLE 8 - SOLVENT SUPPLIERS QUARTERLY REPORTING COMPLIANCE

Calendar Year	No. of Active Solvent Suppliers	Suppliers Submitting Quarterly Reports and Surcharges on Time	Percent Compliance Quarterly Reporting
2009	11	9	82

TABLE 9 - COMPLIANCE/ENFORCEMENT ISSUES WITH SOLVENT SUPPLIERS

Calendar Year	Suppliers Issued a NOV	Suppliers Referred to Compliance/ Enforcement	Suppliers Referred to the AGO	Suppliers Returned to Compliance
2009	0	0	0	5

A solvent supplier who knowingly supplies solvent to a dry cleaning facility not in compliance with payment of the surcharges will be in violation of the regulation. The fund also posts a listing of these dry cleaning facilities on its Web page similar to that for solvent suppliers who do not pay the required solvent surcharges.

Table 6 indicates the compliance rate for annual dry cleaning facility registration surcharges. Failure to pay the registration surcharges represents approximately 90 percent of the violations that occur in the fund.

OUTREACH ACTIVITIES

The department has additional information, publications, forms and answers to questions about the fund available on the Web at www.dnr.mo.gov/env/hwp/dert/hwpvcv-dryclean.htm. The department also distributes the Drycleaning Environmental Response Trust Fund newsletter to dry cleaning facilities and solvent suppliers. The newsletter keeps the regulated community up to date about issues involving the industry, the DERT Fund and cleanup efforts at active and abandoned dry cleaner sites.

The department is a member of the State Coalition for the Remediation of Drycleaners. The coalition is comprised of states that have formal dry cleaner cleanup programs. The U.S. Environmental Protection Agency's Technology Innovation Office through the National Ground Water Association funds

this coalition. The coalition conducts conference calls every other month and holds an annual meeting to discuss issues related to dry cleaner program administration and technical site investigation or cleanup topics. The coalition serves as an invaluable asset for Missouri as the department manages the fund and provides oversight of assessments and cleanup of dry cleaner sites.

REFERENCES

State Program To Clean Up Drycleaners. Schmidt, Robin, R. DeZeeuw, L. Henning and D. Trippler. June 2001. State Coalition for Remediation of Drycleaners. www.drycleancoalition.org/survey/

Departmental Missouri Risk-Based Corrective Action (MRBCA) Technical Guidance, Missouri Department of Natural Resources, April 2006.

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